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STATE DOCUMENTS

JUL 12 1971

ANNUAL REPORT
OF THE
OFFICE OF SECRETARY OF STATE
STATE OF MONTANA
(Section 82-4002, R.C.M. 1947)

TO THE
HONORABLE FORREST H. ANDERSON
GOVERNOR OF MONTANA

FOR THE
FISCAL YEAR ENDED
June 30, 1970

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June 30, 1970



STATE OF MONTANA

OFFICE OF THE

SECRETARY OF STATE

FRANK MURRAY
SECRETARY OF STATE

GAIL M. DEWALT
CHIEF DEPUTY

HELENA, MONTANA 59601

August 12, 1970

The Honorable Forrest H. Anderson
Governor
State of Montana
Helena, Montana 59601

Dear Governor Anderson:

In accordance with the requirements of Section 82-4002, R.C.M. 1947, and under direction of Management Memo 70-12, I submit the report of the office of Secretary of State covering the fiscal year ended June 30, 1970.

ACCOMPLISHMENTS

As you know, the many and varied duties of the Secretary of State, both direct and ex-officio, are prescribed by law, and I believe I have fulfilled the statutory details in each instance.

A good measuring standard for the accomplishments (and the growth) of the department is its gross filing fee receipts, which in the fiscal year 1939-1940 totalled \$43,777. The comparable figure for 1969-1970 was \$251,990.

During the reporting period, the workload of this office, like that in other state departments, has steadily increased, both as to the actual number of filings and because of a substantial block of new and revised laws which come under its administration. These include a new corporation code as well as a completely revised election code, both requiring much additional research, new procedures and forms. Also during this time the first five-year termination period was reached for the Uniform Commercial Code of 1965, substantially increasing the work in that division.

RECOMMENDATIONS

Under the new corporation code the processing of documents is much more time-consuming, and the point has been reached where the staff which handled the filings under the old law cannot keep up the work required under the new laws, and this even though many overtime hours have been donated to the state. Not only should proffered filings be made timely, but the employees should not be expected to work under undue pressure and beyond the statutory 40-hour week. Because of this same workload, which remains constant, there is no opportunity to allow earned compensatory time to the employees. In fact when someone is ill or on vacation the situation is aggravated. This means that there is a necessary delay in filing corporate and commercial documents which should not be tolerated. The only means to correct the situation is to have an additional full-time employee in the corporate division.

Because of the growth of the workload and the resulting ever-increasing number of filed documents (now well over a million), accessibility and retrieval are becoming increasingly important. It is apparent that this office, which houses the state's important and permanent records, must have a fulltime archivist, and eventually this office should have a fulltime microfilm operator to record the filings of the office on a daily basis, thus providing a needed and prudent form of preservation insurance in the event of fire or other disaster.

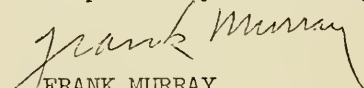
About a year ago this office was assigned some additional office space which consists of a double room with one small inside room and one adjoining small outside room (Room 237) so that I could move the desks of employees out of the vaulted file area in order to reclaim the space originally intended for permanent files. This resulted in no real gain in desk space for the office, and I now urgently recommend and request that additional space be provided for its efficient operation with the necessary desks, typewriters and other related equipment.

My staff and I have made a firm effort to increase the efficiency of the office and to place the state's permanent records in the best possible order for use and preservation. However,

Governor Anderson
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these efforts are like those of the school boards throughout the state in the building of classrooms, since by the time a goal of needed additional personnel and space is achieved, the attained goal has already been outgrown.

Respectfully submitted,


FRANK MURRAY
Secretary of State

FM:dkh

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PRINCIPAL OFFICES AND OFFICERS

OFFICE OF SECRETARY OF STATE

OFFICER TERM OF OFFICE	HOME ADDRESS
Frank Murray, Secretary of State 1-6-69 -- 1-1-73	825 Hauser Boulevard Helena
Gail M. DeWalt, Chief Deputy Pleasure of Secretary	1 Washington Place Helena
Leonard C. Larson, Deputy Pleasure of Secretary	501 South Rodney Helena

PRINCIPAL OFFICE

Capitol, Helena

LEGAL REFERENCES

GENERALLY

The office of Secretary of State is a constitutional office with numerous and varied duties of the office holder prescribed by law. The office is primarily a records and service office as opposed to a revenue office, although the law provides that fees be collected for all services performed for the public. In addition, hundreds of state government filings, such as deeds to state property, executive recordings, certain election and legislative items, etc., are made each year without fee.

The laws setting forth the duties of the Secretary of State, scattered throughout the Revised Codes, are mainly as follows:

<u>Subject</u>	<u>Code Reference</u>
Custodian of public and state records	Title 82, Chapter 22
General and miscellaneous duties	Title 82, Chapter 22
Legislative proceedings	Title 42, Chapter 9
Lobby licensing	Title 43, Chapter 8
Corporation officer	Titles
Elections officer	Titles 23 and 94
Initiative and referendum measures	Title 37
Notary public law	Title 56, Chapter 1
Trade name and marks	Title 85, Chapter 1
Geophysical bonds	Title 69, Chapter 33
Textbook bonds	Title 69, Chapter 33
Service of process	M R Civ. P., Rule 4 D(2)
Soil and water districts	Title 76, Chapter 1
Deeds to state property	<u>82-2202 (4)</u>

<u>Subject</u>	<u>Code Reference</u>
Distribution of official publications, Session Laws and Journals	Title 82, Chapter 22, Revised Codes Title 12, Chapter 3; Montana Reports, Title 82, Chapter 20; Election Laws, Title 23, Chapter 29
Oaths of office	Title 59, Chapter 4
Uniform commercial code	Title 87A, Chapter 9
EX OFFICIO DUTIES:	
Member, State Land Board	82-904
Member, State Board of Examiners	82-901
Member, State Board of Prison Commissioners	82-902
Member, State Board of Pardons	82-903
Member, State Law Library, Board of Trustees	44-402
Member, State Board of Canvassers	23-3312 and 23-4016

PRINCIPAL GOALS

GENERAL

The goal of the office of Secretary of State is to carry out explicit instructions contained in the various laws pertaining to the duties of the office in order to best serve the State of Montana and her citizens in establishing and preserving records entrusted to its custody; to set up the mechanics for conducting state-wide elections through close instruction to and cooperation with the 56 county clerk and recorders; and to cooperate with the legislature as to statutory duties before, during and after each session.

EX OFFICIO

With reference to ex-officio duties of the Secretary of State, it has been my personal policy or goal in each transaction, to act in the best interests of the greatest number of Montana citizens.

PROGRAM INVENTORY AND COST SUMMARY

Total program cost for fiscal year 1969-1970 \$146,356

Note: All operations are under a single program. The operation of the office to date has been too small to departmentalize as to use of supplies and personnel expenses since many items are used by all employees for all filing categories, and it has been practical to shift the personnel from one category to another as the workload demands. For instance, in even-numbered years, there is election work, and in odd-numbered years legislative work plus the daily routine filings. The following receipts breakdown may be of interest:

Deposits with State Treasurer of receipts from collection of all fees:

1969-1970 fiscal year:

Corporations, domestic	\$137,225.79
foreign	49,821.43
Notary Bonds	33,635.00
Certified copies etc.	5,047.90
Official Bonds	110.00
Governor's Warrants	160.00
Trade Names and Marks	2,185.00
Elections	12,426.50
Uniform Commercial Code	10,078.30
Miscellaneous	1,291.30
 Total	 \$251,990.92

Note: Fees collected in the above filing categories do not provide an accurate basis for prorating expenses since a substantial volume of filings is done without fee in accordance with the law providing therefor.

MAJOR ACCOMPLISHMENTS

ACHIEVEMENTS. The total number of documents presented, reviewed and filed in the office of Secretary of State, which has been steadily increasing for several years, hit an all-time high during the last fiscal year. This reflects a major accomplishment since a large part of the work fell under two completely revised laws--the corporation acts and the election code.

In addition, good progress has been made toward the careful cataloging of territory and early statehood files which were discovered in the old vaults of the office during the renovation of the building. When this cataloging is complete these important historical filings will be absorbed in a safe and orderly manner for ready access to the public.

Major Recommendations:

1. Overall program

1. Recommendation. An additional corporation clerk at a starting salary of \$5400 with 5 per cent annual increments.
2. Recommendation: A fulltime archivist at a starting salary of \$5544 with 5 per cent annual increments.
3. Recommendation: Desks and other necessary equipment for the above employees.

1. Discussion. Handling of filings under the new corporation code is more complex and takes more time, and this coupled with an ever-increasing number of filings accounts for above recommendation.
2. Discussion: There are well over a million permanent filings in several statutory categories in the office of Secretary of State, and the number grows at increasing yearly rates. An efficient operation demands an adequate staff adequately equipped.
3. Discussion: Nos. 1 and 2 above.

DETAILED REVIEW

Services Provided

....All services specifically provided for and required by law.

Objectives

....To improve such services so that timely filings can be made and such filings added to the hundreds of thousands already on file in an orderly sequence to insure efficient retrieval on demand.

Target Groups

....To protect the public, namely the commercial community of the state through corporate, trade name and trademark and secured transaction filings.

....To assure to the citizenry all election facilities and protection in connection with the voting franchise offered by law.

....To provide for the State of Montana the best possible custody of its permanent records.

Achievements

All proffered filings by and for the public have been made, although many hours of overtime work were necessary to accomplish this with the present limited staff.

The new system for handling corporate filings under the new code is still in the process of completion. However, the new system makes for better record keeping and in turn better service to the public and to the state.

Cost and Performance Summary: A year-by-year comparison of the work of this office is a little misleading because the work varies since the even years are election years and the odd years are legislative years. In the election years there are filings of declarations of nominations for all national, state and district candidates, and statements of expenses for those candidates and their clubs or committees for both the primary and general elections, plus of course the great amount of work necessary to implement the election in the 56 counties. In the legislative years there are registrations of lobbyists, applications for legislative proceedings, and numerous related duties, which commence before the session, continue through the session and are completed well after the session is over.

Cost and Performance Summary: In the last fifteen years the costs of operating any office, so far as supplies and personnel are concerned, have greatly increased, and at the same time the number of filings in this office has accelerated with the corresponding increase in the servicing of such filings. It would appear, however, that the cost to the State of maintaining this service for the public as well as for the State's permanent records is less today than it was 30 years ago. In other words, while the amounts of the individual fees have not been materially increased in the interim, and the purchasing power of the appropriation dollar has declined, in 1940 the appropriation was exceeded by the total fees collected by the office by less than one-fourth, while the last fiscal year the appropriation was exceeded by the fees collected by over 60 per cent.

The number of official receipts written by the office is a fair indication of the volume of work being done. From 1957 through the last calendar year that number more than doubled.

<u>Year</u>	<u>Number of Receipts Written</u>
1957	10,571
1963	13,212
1966	18,484
1969	21,972

PROJECT COSTS BY OBJECT OF
EXPENDITURE AND SOURCE OF FUNDING
1970-71 FISCAL YEAR

Office of Secretary of State

Object of Expenditure

Personal Services	\$113,333
Operations	61,152
Capital	1,340
Grants and Benefits	<u>-0-</u>
Total Expended	175,825

Source of Funding

General Fund	\$175,825
Total Funding	<u>175,825</u>

